

Company registration number: 04113581

Cadila Pharmaceuticals (Europe) Limited

Filleted financial statements

31 March 2021



Cadila Pharmaceuticals (Europe) Limited

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Cadila Pharmaceuticals (Europe) Limited

Directors and other information

Directors	Dr. R. I. Modi Mr Amitabha Banerjee
Company number	04113581
Registered office	Amba House 4th Floor, Kings Suite 15 College Road Harrow, Middlesex HA1 1BA
Auditor	Nagle James Associates Limited Amba House, 4th Floor, Kings Suite 15 College Road Harrow, Middlesex HA1 1BA
Bankers	Bank of Baroda

Cadila Pharmaceuticals (Europe) Limited

Directors responsibilities statement

Year ended 31 March 2021

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cadila Pharmaceuticals (Europe) Limited

Statement of financial position

31 March 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	5	44,489		63,882	
Tangible assets	6	3,148,729		2,333,269	
			3,193,218		2,397,151
Current assets					
Debtors	7	254,871		150,387	
Cash at bank and in hand		288,615		485,872	
		543,486		636,259	
Creditors: amounts falling due within one year	8	(1,728,674)		(1,023,416)	
Net current liabilities			(1,185,188)		(387,157)
Total assets less current liabilities			2,008,030		2,009,994
Provisions for liabilities	9		(36,174)		(43,760)
Net assets			1,971,856		1,966,234
Capital and reserves					
Called up share capital			2,960,986		2,960,986
Profit and loss account			(989,130)		(994,752)
Shareholders funds			1,971,856		1,966,234

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

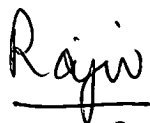
The notes on pages 6 to 13 form part of these financial statements.

Cadila Pharmaceuticals (Europe) Limited

Statement of financial position (continued)

31 March 2021

These financial statements were approved by the board of directors and authorised for issue on 24 June 2021, and are signed on behalf of the board by:



Dr. R. I. Modi
Director

Company registration number: 04113581

The notes on pages 6 to 13 form part of these financial statements.

Cadila Pharmaceuticals (Europe) Limited

**Statement of changes in equity
Year ended 31 March 2021**

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2019	2,960,986	(926,291)	2,034,695
Profit/(loss) for the year		(68,461)	(68,461)
Total comprehensive income for the year	-	(68,461)	(68,461)
At 31 March 2020 and 1 April 2020	2,960,986	(994,752)	1,966,234
Profit/(loss) for the year		5,622	5,622
Total comprehensive income for the year	-	5,622	5,622
At 31 March 2021	<u>2,960,986</u>	<u>(989,130)</u>	<u>1,971,856</u>

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Amba House, 4th Floor, Kings Suite, 15 College Road, Harrow, Middlesex, HA1 1BA.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The amounts are rounded to the nearest whole number and no other rounding is used.

Going concern

The company's ultimate parent Cadila Pharmaceuticals Limited will continue to support the company for the foreseeable future. Accordingly, the board of directors considers that it is appropriate that the Company's financial statements are prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax. Revenue from use of company's assets by others is recognised on the basis of contracts; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity.

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Company and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as incurred.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the statement of profit and loss.

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

Amortisation

Amortisation of intangible assets, other than goodwill, intangible assets not available for use and intangible assets having indefinite life, is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives from the date that they are available for use.

Patent, Copyright and Licenses - Useful life of asset - 5-10 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	- Straight line over 50 years
Office equipment	- Straight line over 3 - 5 years
Fixtures and fittings	- Straight line over 10 years
Motor vehicles	- Straight line over 8 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

4. Employee numbers

The average number of persons employed by the company during the year amounted to 8 (2020: 3).

5. Intangible assets

	Other intangible assets £	Total £
Cost		
At 1 April 2020 and 31 March 2021	193,927	193,927
Amortisation		
At 1 April 2020	130,045	130,045
Charge for the year	19,393	19,393
At 31 March 2021	149,438	149,438
Carrying amount		
At 31 March 2021	44,489	44,489
At 31 March 2020	63,882	63,882

6. Tangible assets

	Freehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Tangible assets - user defined £	Total £
Cost					
At 1 April 2020	2,254,594	555,184	59,601	12,399	2,881,778
Additions	907,856	-	-	8,194	916,050
At 31 March 2021	3,162,450	555,184	59,601	20,593	3,797,828
Depreciation					
At 1 April 2020	194,974	304,500	38,092	10,943	548,509
Charge for the year	35,742	55,519	7,450	1,879	100,590
At 31 March 2021	230,716	360,019	45,542	12,822	649,099
Carrying amount					
At 31 March 2021	2,931,734	195,165	14,059	7,771	3,148,729
At 31 March 2020	2,059,620	250,684	21,509	1,456	2,333,269

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

7. Debtors

	2021	2020
	£	£
Trade debtors	-	60,000
Amounts owed by group undertakings and undertakings in which the company has a participating interest	239,081	78,874
Prepayments and accrued income	5,968	9,694
Other debtors	9,822	1,819
	<u>254,871</u>	<u>150,387</u>

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,701,541	982,757
Accruals and deferred income	9,635	17,726
Social security and other taxes	7,532	7,073
Other creditors	9,966	15,860
	<u>1,728,674</u>	<u>1,023,416</u>

Other creditors includes amounts payable to employees of £919 (2020 - £10,829).

9. Provisions

	Deferred tax (note 10)	Total
	£	£
At 1 April 2020	43,760	43,760
Charges against provisions	(7,586)	(7,586)
At 31 March 2021	<u>36,174</u>	<u>36,174</u>

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 9)	36,174	43,760
	<u>36,174</u>	<u>43,760</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	36,174	43,706
	<u>36,174</u>	<u>43,706</u>

11. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	13,284	13,284
Later than 1 year and not later than 5 years	-	13,284
	<u>13,284</u>	<u>26,568</u>

12. Summary audit opinion

The auditor's report for the year dated 24 June 2021 was unqualified.

The senior statutory auditor was Kaushik Nathwani, for and on behalf of Nagle James Associates Limited.

13. Change in Accounting estimate

During the year, a change has been made in the estimate of useful life of the Intangible asset - Patent, Copyright and Licenses. The revision is based on the actual use and economic benefit derived from the asset and has been applied prospectively.

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

14. Ultimate parent undertaking

The company's ultimate parent at the balance sheet date was Cadila Pharmaceuticals Limited, incorporated in India and the immediate parent at the balance sheet date was Satellite Overseas Holdings Ltd (SOHL), incorporated in Isle of Man.

The smallest group in which the results of the company are consolidated is that headed by Satellite Overseas Holdings Ltd (SOHL). The largest group in which the results of the company are consolidated is that headed by Cadila Pharmaceuticals Limited (India).

The Consolidated group financial statements of Cadila Pharmaceuticals Limited for the year ended 31 March 2021 are publicly available from the company's corporate address at Cadila Corporate Campus, Sarkhej-Dholka road, Village-Bhat, Ahmedabad 382210, India.

15. Covid 19

The directors are monitoring the company's performance and have taken measures to mitigate the impact of COVID-19 by availing the support from the Government like the Coronavirus Job retention scheme.